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THE WHITE HOUSE
WASHINGTON

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January 22, 1981

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS
AND AGENCIESOS REGISTRY
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SUBJECT: REDUCING UNNECESSARY FEDERAL SPENDING

Coping with runaway deficits in the current and pending budgets is one of the most urgent tasks before us. Thus, today I am taking four steps that will help reduce unnecessary Federal spending.

Effective immediately I am directing that, to the extent permitted under law, each Executive Department and Agency:

- Cut obligations for travel by 15 percent from the amounts available for the remainder of this fiscal year.
- Cut obligations for consulting, management and professional services, and special contract studies and analyses by 5 percent from the amounts shown for 1981 in the budget transmitted to Congress on January 15. (The cutback in consulting services is to be in addition to cutbacks ordered by the Carter Administration and the Congress.)
- Stop, until further notice, procurement of furniture, office machines and other equipment, except military equipment and equipment needed to protect human life and property.
- Finally, I am directing that Members of the Cabinet and other appointees set an example by avoiding unnecessary expenditures in setting up their personal offices. Appointees are not to redecorate their offices. This directive does not preclude reasonable and necessary cleaning, painting, and maintenance, or structural changes essential to the efficient functioning of an office.

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The Director of the Office of Management and Budget will issue detailed instructions for carrying out the first three actions listed above. I am delegating to him authority to grant exemptions in those few cases where exemptions are necessary to provide essential services.

As with the hiring freeze, I ask that this directive not detract from agency operations that directly affect the delivery of vital public services. Again, you should establish a clear hierarchy of needs within your agencies and assure that essential services are not interrupted.

These four actions, together with the freeze on hiring of Federal civilian employees announced on January 20, will help redeem our pledge to the American people of a government that lives within its means.

Ronald Reagan